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A Letter

TO CROP REPORTERS

I have spent nearly 3 weeks of the last month on the road. I had interesting visits with some of the crop reporters in Idaho, Oregon, Washington, Montana, North Dakota, Mississippi, and Louisiana. There surely is a lot of real estate in this country of ours and I saw a lot of it.

When I got back to D. C., I found I had missed the Outlook Conference. My cohort, "Bush" Allin—Chairman of the Outlook Board—sort of got on me about it.

I don't like to miss these sessions if I can help it. But "Bush" put a different slant on it. He always has a new angle anyway. He said that I should have been here; because, after all, if the corps of crop reporters didn't furnish the basic facts on acreage, yield, etc., there wouldn't be any outlook to speak of. I knew that he was just dead right on this one "outlook"

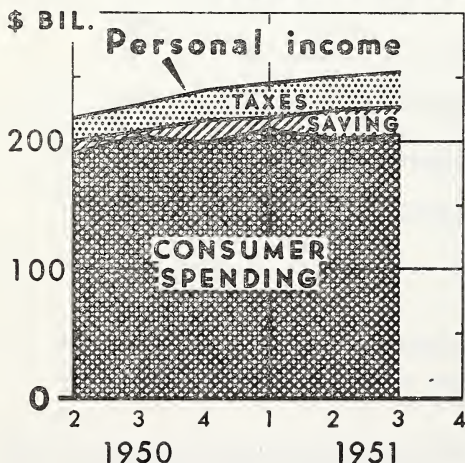
statement anyway. It just wouldn't be possible to do very much of a job if it were not for this Agricultural Estimating Service.

You know, the outlook work got started back around 30 years ago. The object was—and still is for that matter—to make a very thorough analysis of all the facts available and provide the farmer with this complete analysis to aid him in making his plans for the coming year. Of course, I know someone is going to tell me how we missed the boat on some things, but I am sure you would be impressed with the record. Now I am not going to start quoting a lot of figures or knock myself out patting the BAE on the back but I will say this, that for every case where you can show me the outlook was wrong I will show you three where it was right. Now that isn't bad, is it?

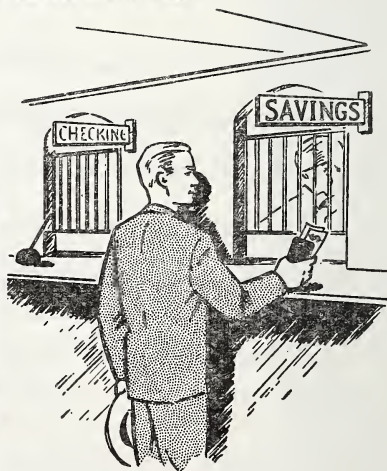
Well, I'm not trying to sell you anything, but look over the brief of the outlook in this Situation report. If you would like a more complete report on some commodity drop me a line. If we have it, I'll send it.

S. R. Newell
Chairman, Crop Reporting Board, B. A. E.

PERSONAL INCOME, SPENDING, TAXES, AND SAVING*



*SEASONALLY ADJUSTED ANNUAL RATES, BY QUARTERS SINCE *KOREA*



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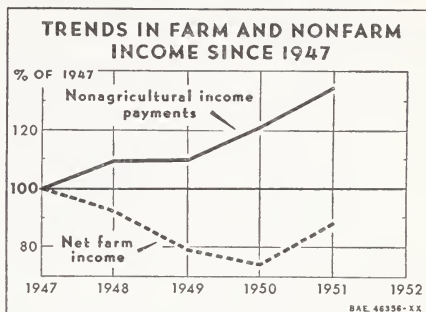
A Look Ahead FOR AGRICULTURE In '52

FARMERS CAN look forward to a fairly good year for agriculture in 1952—much like 1951 in some respects. Larger supplies of farm products, crops and livestock combined, are in prospect for next year. With larger supplies, prices farmers get for these products may average about the same as for 1951.

Although producers may receive a little more money for larger marketings next year, with rising production costs their net farm income may be about the same as in 1951. With higher living costs in prospect for the farmer, the purchasing power of his net income in 1952 is likely to show little, if any, improvement over 1951. Nonagricultural income, however, is currently at a record high and is expected to continue to rise in 1952.

Higher Disposable Income

The defense program will continue to be the dominant influence in the outlook for 1952. Any major change in defense activities, either a step-up or a slow-down, would materially influence the outlook for the coming year. As of the third quarter of this year, national security spending was at an annual rate of 41 billion dollars, or approximately 12 percent of the total value of output. Under present plans these expenditures may rise another 25 billion dollars by next fall and at that time the defense program probably will be taking around 18 to 19 percent of total output. With increased employment and higher wage rates, as the defense program expands, the disposable income of consumers (after taxes) is expected to rise over the coming year—possibly around 5 percent—even though tax rates will be higher.



Aggregate demands on the economy for goods and services are expected to continue to rise as more goods are purchased for the defense program. But, as we shall see, there are some moderating factors.

Businessmen may spend somewhat less for new plants and inventories in 1952 but increased spending by consumers and by the Government is expected to result in some 8- to 10-percent rise in the economy's aggregate demand for goods and services. With some increase in employment, in productivity, and in hours worked per week, total output of the economy will rise but probably not by as much as the expected increase in the aggregate demands on the economy. As a result, some increase in price pressures may occur over the next year. However, there are several things that probably will moderate the upward pressures on prices. These moderating factors include the relatively large inventories, record farm output, expanded productive capacity, price and wage controls, credit restrictions, and higher taxes.

Higher consumer incomes and restricted supplies of many durable goods such as automobiles and household ap-

The trend in consumer demand since "Korea" is shown in the chart on the opposite page. Total income has increased but all of the increase hasn't gone for spending. Consumers have been saving more as well as paying more in taxes.

pliances probably will result in a somewhat stronger demand for food and other farm products next year.

Foreign Demand, Other Factors

Foreign demand for agricultural products is also expected to be fairly strong in 1952.

In response to the Nation's need for food and fiber, record supplies of farm products as a whole are expected next year, if the weather behaves. Crop production available for sale in the '51-52 marketing year is estimated about 6 percent above a year ago. The estimated cotton crop is 58 percent larger. And record supplies of fats and oils are in prospect for the '51-52 marketing year.

Feed supplies are above average, but expected expansion in production of livestock and livestock products in 1952 probably will make it necessary to further reduce reserve feed grain stocks by the end of the '51-52 feeding year. Production of meat and other livestock products is expected to be larger in 1952. Cattle and calf slaughter may be about 10 percent above the

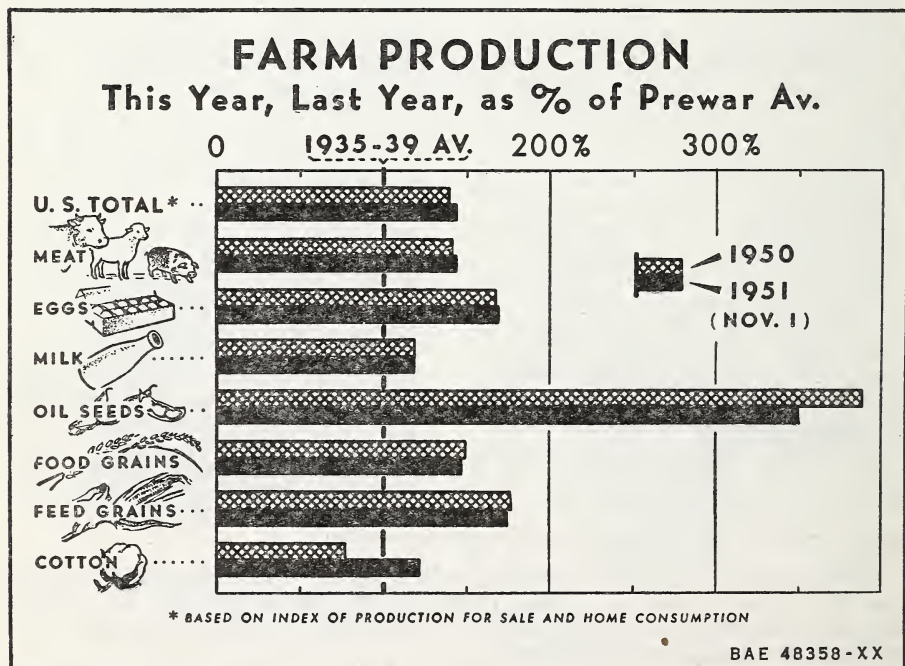
relatively low levels of this year. The net build-up of cattle during the year probably will equal about one-fourth of the number of cattle slaughtered during 1951. This expansion in productive capacity indicates a potentially larger supply of beef for coming years. Poultry production also may increase a little and output of pork and dairy products is expected to continue high in 1952.

Exports of farm products probably will not be greatly different from the fiscal 1950-51 level. Larger cotton exports may about offset a somewhat smaller volume of coarse grains, dairy and poultry products, and some other commodities during 1951-52. Exports of tobacco will be a little larger and wheat exports are expected to be about the same as in fiscal year 1950-51.

With prospects for a continued high level of consumer demand and larger supplies of meat and other foods for domestic consumption in 1952, food consumption per person probably will increase further, even though the population grows by about 2 million.

Rex F. Daly

Bureau of Agricultural Economics



Higher Production Costs

. . . Some Supplies Scarcer

PRODUCTION EXPENSES will take a bigger bite out of the farmers' pocketbook in 1952 than in any other year. Costs are expected to total about 5 percent above the 22½ billion dollars estimated for 1951. This year's costs total about 12 percent above 1950.

With mobilization moving into high gear, farmers are apt to find supplies of some items tighter than they have been since hostilities began in Korea. Generally speaking, though, farmers will be able to buy enough to keep production high. Getting orders for supplies and equipment in as early as possible will help prevent difficulties later on.

Some of the Items

Here is how the situation shapes up for the major expense items:

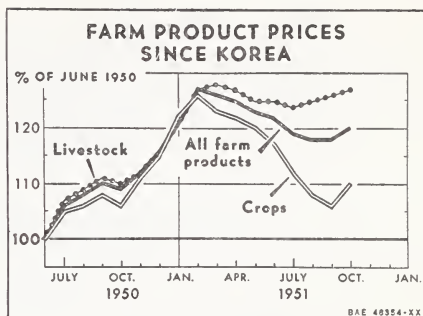
Farm Labor: The supply will be smaller and wage rates will be up in 1952. The situation will be tight in local areas but on the whole, labor shortages are not expected to slow down the production effort greatly.

Farm Power and Machinery: Farmers will pay moderately higher prices for farm machines, tires, and motor fuel in 1952. Costs of keeping horses and mules will be higher than any years except 1947 and 1948.

Feed: We will have less feed per livestock unit next year. Feed-grain prices will average a little higher than in 1951. For more detail on feed prospects, see page 6.

Seeds: There is expected to be enough of most of the major kinds of clover, grass, and winter cover-crop seeds for spring planting, although the supply is 8 percent smaller than last year's record.

Fertilizer: Supplies for the 1952 crop season are not likely to be large enough to fully meet the demand. Supplies of phosphoric acid fertilizers will be down about 8 percent from 1951, mainly because of shortages of sulphur and sulphuric acid. Nitrogen and potash fertilizer supplies will increase, but, in view of the demand expected, will be



tight. Prices for fertilizer probably will average slightly higher in 1952.

Building Materials, Supplies, and Containers: Prices for these items this fall averaged about 11 percent higher than last year and probably will continue at or slightly above this level for a few months. Lumber supplies should be ample, though plywood may become more scarce. Builders' hardware, electrical, plumbing, and heating equipment supplies will be ample into the first part of 1952. Baling wire supplies should be ample next year. Farmers probably will have most difficulty in getting galvanized products such as fencing, roofing, and pipe. Supplies of containers are expected to be adequate.

Pesticides: Most of the important pesticides will be sufficient to meet demands in 1952, except those containing sulphur, lead, and copper. Use of substitutes would help stretch supplies of these items. Prices of pesticides rose sharply in 1951, and probably will continue near late 1951 levels next year.

Interest, Taxes and Insurance: Farmers probably will pay more interest on both real estate and non-real estate debts next year. Interest rates are likely to rise slightly and the volume of debt will be larger. Taxes—property, sales and income—will be higher. Insurance also will cost more than a year earlier.

Wiley D. Goodsell
Bureau of Agricultural Economics

The Outlook for Farm Commodities

Meat Animals

SOME THINGS in the outlook for meat animals in 1952 are fairly certain, others are less so. On the whole, changes in prospect from 1951 are not great, but in some cases they may be the start of new trends.

An increase in cattle slaughter next year, for instance, is almost sure to come. Just how large the increase will be is not so clear. But it will begin an uptrend in slaughter that is expected to last several years.

Numbers of cattle and calves on farms have been building up rapidly. In 1950, they were increased 4 million head. Cattle and calf slaughter this year is small, and numbers on farms are probably being increased 6 or 7 million. The 90 million or more expected this coming January will be a new record high. This is the setting for the rise in slaughter expected next year and later.

Prospects are that the gain in slaughter in 1952 will be only moderate—perhaps around 10 percent more beef and veal produced than in 1951. An increase of this size would mean that numbers on farms would continue upward and that price changes during 1952 would not be especially large. It would also mean that slaughter would expand a great deal further in the years after 1952.

Upward pressure on price ceilings on beef and cattle—now largely determining cattle prices—may be lessened in 1952. Some actual reductions in prices may occur at times of largest marketings.

Very substantial increases in cattle slaughter in years after 1952 would cause the relationship of prices of beef cattle to prices of other farm products, now well above average, to come down to much nearer average.

That hog slaughter for 1952 will total about as large as in 1951 is fairly certain. Slaughter may be a little above

THE WRITERS

These commodity outlook summaries were written by economists in the Bureau of Agricultural Economics in the order named: *Meat Animals*, Harold Breimyer; *Feed*, Malcolm Clough; *Dairy Products*, Herbert Kriesel; *Eggs and Poultry*, Edward Karpoff; *Wheat*, Robert E. Post; *Food*, Marguerite C. Burk and Harry Sherr; *Fruit*, Ben H. Pubols; *Vegetables*, Herbert W. Mumford Jr.; *Oilseeds*, Richard J. Foote and Sidney Gershben; *Cotton*, Frank Lowenstein; *Tobacco*, Arthur G. Conover; *Wool*, Albert M. Hermie.

this year during the first 6-8 months, when it will reflect larger '51 pig crops.

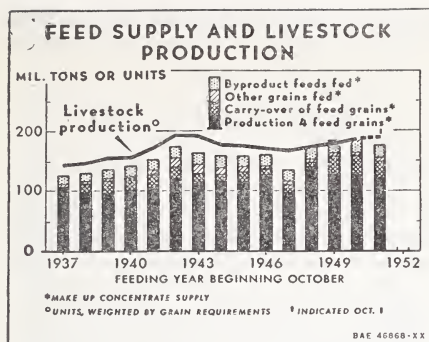
But hog production—the size of the pig crops—may turn down during 1952 from its past 5-year rise. Supplies of corn and other feed grains are less abundant and the hog-corn price ratio is down to average. And unless the corn crop is materially larger next year, a decrease in both hog production and hog slaughter seems definitely in prospect for 1953.

Fewer sheep and lambs have been slaughtered this year than in any year of this century. Numbers on farms are now climbing, and an increase in slaughter is likely in 1952. Prices of lambs are now governed largely by ceilings on lamb at wholesale and retail. This will probably continue to be true while present ceilings are in force. However, some seasonal changes in lamb prices will result from changing pelt values.

Feed

FEED GRAIN PRODUCTION this year, although larger than in most years prior to 1948, is expected to fall somewhat short of our current heavy requirements. This will mean a further reduction in the reserve stocks of feed grains during the 1951-52 season.

When we add this year's production to the carry-over of feed grains from



last year and to prospective supplies of byproduct feeds and other concentrates, the total supply for the 1951-52 feeding season is about 3 or 4 percent smaller than the big supplies of the past 2 years.

Livestock numbers have been increasing since 1948 and will increase further in 1951-52. As a result, the prospective supply of feed concentrates per animal unit is 7 to 10 percent smaller than in the past 3 years although 9 percent larger than just before World War II. Tonnage of grains and other concentrates fed to livestock this season is expected to be the heaviest since the record level reached during the last war.

The 1951-52 corn supply of 3,832 million bushels is 4 percent smaller than last year, although much larger than in most years prior to 1948. Corn requirements have increased substantially since before World War II, and more corn will be used in 1951-52 than was produced this year. Carry-over stocks of corn, which totaled 744 million bushels on October 1, 1951, may be down to somewhere around 500 million bushels by October 1 next year. Supplies of other feed grains also are smaller than last year, and some reduction in carry-over stocks of these grains at the close of the 1951-52 season also is in prospect.

The total supply of high-protein feeds is expected to be larger than in the past few years, but little, if any, larger in relation to the increasing number of livestock on farms.

Prospective continued strong demand for feed in 1951-52 and smaller feed grain supplies are expected to result in generally higher feed prices

than in 1950-51. Corn prices are expected to advance during the 1951-52 marketing year, and to average above the 1951 support price of \$1.57 per bushel. Prices of oats and barley have been above the 1951 support level this past summer and fall, and also higher than a year earlier. Sorghum grain prices have increased more than other feed grain prices during the past year. During the 1951-52 marketing season they will be somewhat higher in relation to prices of other feed grains than in 1950-51.

The record hay supply for 1951-52 will provide ample hay for the expanding livestock population in most areas of the country. Hay supplies are especially large in the North Central region.

Dairy Products

DAIRY FARMERS can look forward to another year of strong demand for their products. Consumer incomes, per person, will be larger in 1952 than in 1951 and there will be an increase of about 2 million consumers.

Farmers will be able to sell at least as much milk as they did in 1951 at slightly higher prices. Cash receipts from dairy marketings—like prices of dairy products—probably will be somewhat higher than in 1951. Higher costs, however, are expected to partly offset the increase in cash receipts. Net income from dairy farming in 1952 probably will be at least as great as in 1951, and substantially more than in either 1949 or 1950.

For the Nation as a whole, farmers will have about as many cows in 1952 as in each of the past 3 years. While this number is about 12 percent below the peak of the mid-1940's, the rate of milk production per cow has increased considerably and milk production, in total, probably will continue around 120 billion pounds. The record high was 121.5 billion pounds reached in 1945 and the postwar low was 115.5 billion pounds produced in 1948.

The price of milk relative to feed prices is likely to be about the same next year as in 1951, but butterfat prices may continue a little below average relative to prices of feed.

Variations in demand have been the main source of changes in dairy product prices the last 3 years, since sup-

plies of milk have fluctuated little. In the next 12 months, demand for dairy products is likely to be well sustained by a further rise in the incomes which consumers have to spend. The gain in incomes, however, is likely to be somewhat smaller than the 8 percent rise which occurred from 1950 to 1951.

Besides tending to bring higher prices, the rise in incomes will lead to a further slight shift in milk utilization. More fluid milk and ice cream will be used, leaving less milk for production of butter. In many areas, additional farmers will be able to sell milk for fluid use, assuming they can meet the local inspection requirements. For the country as a whole, there is likely to be a further increase in whole milk sales by farmers to plants and dealers to a level above the approximately 75 billion pounds in 1951.

Over the past decade, butter is the only dairy product to show a decline in consumption and in 1952 may decline to near 9 pounds per person compared with the record low of 9.7 pounds in 1951 and the prewar level of 16.7

pounds. Consumption of most other dairy products has shown increases in the past decade.

Eggs and Poultry

AVERAGE PRICES received by poultrymen in 1952 are expected to hold fairly close to the '51 levels. As in the past several years, the outstanding feature of next year's poultry outlook is the prospect for large production. Also in 1952, as in most other postwar years, the outlook points to continued strong demand for the large output.

Feed prices and the costs of hired labor are both expected to rise during the coming year. Since these are the poultryman's most important out-of-pocket costs of production, and no corresponding increases are expected in the prices of his products, a decline in net returns is indicated.

For 1952, we expect egg production to be 3 or 4 percent greater than the large 1951 output. Most of the increase in egg production over 1951 will

Farm Production ¹

(1935-39=100)

Commodity group	1951	1950	1945-50 high		Percent change 1951 from—	
			Level	Year	1950	1945-50 high
Food grains.....	147	149	197	1947	-1	-25
Feed grains and hay.....	175	177	207	1948	-1	-15
Cotton.....	122	77	125	1949	+58	-2
Truck crops.....	156	147	152	1946	+6	+3
Other vegetables.....	91	116	128	1946	-22	-29
Tobacco.....	156	140	160	1946	+11	-2
Fruits and tree nuts.....	131	124	133	1946	+6	-2
Oil bearing crops.....	349	388	388	1950	-10	-10
Sugar crops.....	95	114	114	1950	-17	-17
Meat animals.....	143	141	147	1945	+1	-3
Dairy products.....	118	118	119	'45-46	0	-1
Poultry and eggs.....	194	182	182	1950	+7	+7
All crops.....	143	135	152	1948	+6	-6
All livestock.....	144	140	141	1945	+3	+2
All commodities.....	143	138	141	1949	+4	+1

¹ Volume of production for sale and home consumption, November estimates.

occur in the first three quarters of 1952. With egg production in the spring expected to be higher than a year earlier, prices may average about the same or somewhat less than in the spring of 1951. Since feed costs will be higher, the egg-feed price ratio will be lower. The result is likely to be a reduction in the number of chickens raised for farm flock replacement. By the end of 1952, egg production may be down almost to 1951 levels.

The reduction expected in the number of chickens raised next year would reduce the supply of meat from young chickens. This would be largely offset by an increase in slaughter of mature farm chickens from the increased January 1 inventory. Commercial broiler production, on the other hand, probably will continue its long-time increase, though the rate of gain is likely to be smaller than in 1951. The rise in broiler output will more than offset any possible decline in farm chickens and the total chicken meat supply will be larger than in 1951.

The outstanding feature of the outlook for turkeys is the prospect that farmers will raise more small birds. The number of Beltsville Small Whites increased more than 50 percent in 1951. The increase in production of large turkeys this year, most of which are marketed in November and December, is about 10 percent over 1950.

Wheat

WITH PRICES to be supported at a minimum of \$2.17 per bushel, farmers are likely to produce enough wheat in 1952 to meet domestic and export requirements in 1952-53 and provide for an increase in the carry-over at the end of the marketing year. This assumes average growing conditions.

In the current 1951-52 marketing year, less wheat was produced than is likely to be used in this country and exported. The carry-over next July 1 is expected to be about 335 million bushels, or 60 million bushels below the July 1951 figure.

Prices for the 1951 crop are expected to average near or slightly below the support price of \$2.18 per bushel. During the early part of the marketing year, prices have been below the sup-

port, but recently they have advanced to above that level.

A national wheat goal for 1952 of 78.9 million acres was announced on July 13. This allowed ample time for farmers to plan their fall seedings. This goal acreage is slightly above the big acreage of 78.5 million acres seeded for the 1951 crop, and has been exceeded by seedings in only four years in our history.

If yields for next year's wheat crop are average, the 78.9 million goal acreage would result in a crop of 1,165 million bushels, 17 percent above estimated production this year, when yields were below average. It is likely that the goal acreage will be fully met if not exceeded. A crop of about 1,165 million bushels plus carry-over of old wheat on July 1, 1952, estimated at 335 million bushels, and imports of feeding-grade wheat of possibly 25 million bushels, would provide 1,525 million bushels for 1952-53. Use of wheat in the United States in 1952-53 is forecast at about 745 million bushels. Assuming exports at 350 million bushels—moderately less than the 365 million bushels expected for 1951-52—the carry-over on July 1, 1953, would be about 430 million bushels. This would be about 100 million bushels more than is expected to be carried over next July 1.

Exports in 1952-53 are expected to be less than the 366 million bushels in 1950-51; for exports of nonagreement wheat are expected to be below the 115 million bushels exported in 1950-51, when demand for United States wheat was strong. The United States export quota under the International Wheat Agreement is about 250 million bushels.

The price to growers for the 1952 wheat crop is expected to average near the support level to be established at the beginning of the marketing year. A minimum support price of \$2.17—about the same as for the 1951 crop—was announced by the Secretary of Agriculture on August 29. This was 90 percent of the mid-July parity price. If 90 percent of parity at the beginning of the marketing year is higher, the support will be raised to that level. As was the case in 1951, no allowance for farm storage or warehouse storage charges will be available to producers who deliver loan wheat from the 1952

crop to Commodity Credit Corporation. On June 29 Secretary Brannan announced that there would be no marketing quotas on the 1952 wheat crop.

Food

SUPPLIES of food available to civilians in 1952 are expected to be a little larger on a per person basis than in 1951.

Food production in the United States next year may exceed the 1951 high level. The near-record numbers of livestock on farms are expected to permit an increase in the output of meat and poultry products in 1952 if the usual marketing patterns prevail. Likewise, with normal growing conditions, larger food crops than in 1951 are also likely. Imports, which will add to the supply of foods that we produce, probably will be about as large as those in recent years.

Procurement of food by military agencies in 1952 for members of the armed forces will be large, but the increase from this year is not expected to be as much as that which occurred between 1950 and 1951. Food exports may not reach this year's level, especially if the international situation remains unchanged and food production abroad turns out as now anticipated.

United States civilians probably will consume somewhat more food per person next year than in 1951. Most of the increase is expected to occur in the consumption of beef, poultry, eggs, fluid milk, ice cream, fats and oils other than butter, fresh vegetables, dried fruits, and frozen fruits and fruit juices. Less butter is likely to be available than this year, and at least until about midyear, consumers will have fewer sweetpotatoes than a year earlier.

Retail prices of food in 1952 are expected to average slightly higher than for this year. Civilian demand for food next year probably will remain strong throughout 1952, mainly as a result of the anticipated increase in consumer incomes. However, no strong upward pressure on retail food prices is in prospect unless the international situation tightens and another wave of "scare buying" develops. The most important deterrent to an upswing in prices will be the anticipated large

food supplies. Price controls on some items will also contribute to keeping the general level of retail food prices fairly stable, as will increased taxes on consumer incomes and wage controls.

Fruit

THE GENERAL level of prices to growers for the 1952 deciduous fruit crop probably will be about the same as in 1951. But for the present citrus crop, prices for grapefruit are expected to average higher, and prices for oranges lower, than for 1950-51 crop fruit.

Consumer demand for fresh fruit and fruit products in 1952 is expected to be a little stronger than in 1951. But with the prospect for some increase in stocks of canned fruits at the start of the 1952 deciduous canning season, demand for fruit for processing may not be quite as strong as in 1951. Assuming average weather, the 1952 crop of deciduous fruits probably will be somewhat smaller than the 1951 crop.

Larger exports of fruit seem likely in 1952. Export-payment programs are in operation to aid the export of apples, raisins, and dried prunes. On the receiving end, increased imports of United States apples are expected in the United Kingdom, partly because of the restoration of the handling of imports to the commercial trade.

Imports of bananas, the principal fresh fruit imported, may be a little smaller in 1952 largely because of reduced supplies of relatively high quality fruit in tropical countries.

With the prospect for smaller storage supplies of apples for marketing during the first half of 1952, grower prices are expected to average higher than in the first half of 1951. The course of prices for pears after January 1, 1952, will be conditioned considerably by the size of stocks, which on October 31 were about 40 percent larger than a year earlier. Reduced production and higher prices seem probable for strawberries in 1952.

Production of tree nuts in 1952 probably will be smaller than the near-record 1951 crop.

Output of dried and canned fruits in 1952 probably will not be quite as large as in 1951. Production of frozen fruits

and berries is likely to be about as large as in 1951. Although another large pack of canned citrus juices is expected from the 1951-52 citrus crop, the canned pack of grapefruit juice probably will be smaller. But a further increase is expected in the pack of frozen citrus juices. Civilian supplies of fresh and processed fruits are expected to be large enough in 1952 to continue the present high rates of consumption.

Vegetables

CONSUMERS WILL want to continue to eat fresh, canned and frozen vegetables in 1952 at as high rates as in 1951, and will have the money with which to buy them. Having in mind the relatively high prices received in 1951, farmers probably will put in more acres of fresh vegetables in 1952 than were grown in 1951.

If weather is favorable, production of fresh market supplies in the first quarter of 1952 is likely to be larger than in 1951 when production in some areas was reduced substantially by unfavorable weather. In such an event, prices for these crops probably would be appreciably lower than in early 1951.

A somewhat smaller total pack of canned vegetables will be needed in 1952 than was produced in 1951, if the international situation continues about as it is now. Civilian demand will continue unabated, but military requirements are likely to be smaller now that initial filling of "pipelines" has been accomplished. Adequate supplies of most canned vegetables are available for retail distribution in the 1951 pack year. However, the pack of canned corn is substantially below that desired, so that canned corn will be somewhat short and relatively high priced until a new pack can be made sometime next summer.

Record large current supplies of frozen vegetables will permit consumption to continue at record high rates well into 1952. Whether or not another large pack will be needed in 1952 will be determined in large part by the rate at which these stocks move out in the next few months.

Potato prices are much higher than those of a year earlier, as a result of reduced acreage and somewhat lower

yields. Keeping quality is not all that could be desired in some important areas, so that apparent supplies may not hold up too well. A big danger for 1952 is the possibility that many farmers may be misled by current prices into overextending potato acreage.

Sweetpotatoes are relatively high priced also, because of a very short crop this year. However, the danger of overexpansion in 1952 is nowhere near as great as for potatoes. Other crop alternatives are expected to be not greatly different than they were in 1951, so that sweetpotato acreage expansion is expected to be moderate.

Adequate supplies of dry beans and dry peas are on hand for distribution until the 1952 crop can be produced. Demand for dry beans in 1952 probably will be at least as strong as in 1951, but demand for dry peas may be somewhat weaker.

Oilseeds

SEASON AVERAGE prices received by farmers in 1951-52 for cottonseed, soybeans, and flaxseed are expected to be above the price-support level. Prices for peanuts for edible use will average close to the support level.

With a crop nearly 60 percent above last year and except for 1949 the largest since 1937, prices received by farmers for 1951 crop cottonseed have been running below last year's level but for the present season will average above the support level of \$61.50 per ton for basis grade (100) cottonseed. The mid-November price to producers of cottonseed for all grades averaged \$72.70 per ton, compared with \$98.40 a year earlier and the season average price of \$86.40 for the 1950 crop.

The mid-November price to producers of soybeans averaged \$2.77 per bushel, 32 cents above the support, and the season average price received by farmers for 1951 crop soybeans may not differ much from the November level. Production of soybeans in 1951 is estimated to be smaller than last year's record crop but substantially above any other year.

Farmers received an average of \$4.10 a bushel for flaxseed in mid-November, compared with the support price of \$2.65 and the season average price of

\$3.35 for 1950 crop flaxseed. Flaxseed prices may continue relatively high during the rest of the marketing season. Total disappearance of flaxseed and linseed oil in 1951-52 may be about 50 percent larger than production, necessitating a reduction in stocks. The 1952 crop will be supported at a national average of \$3.77 per bushel at the farm level.

Prices for 1951 crop "eligible" peanuts are expected to average close to the support of 11.53 cents per pound (farmers' stock basis). Last year the support was 10.8 cents. Prices being paid for "excess" peanuts are equal to about 50 percent of the prices for the "eligible" ones, reflecting conditions in the oil and meal market. This year's peanut crop is substantially less than the year before, but supplies for edible use are expected to be adequate.

The general level of prices for fats and oils in October 1951 was about the same as a year earlier; but, in contrast to the rise which took place a year ago, little change is anticipated over the next few months. Production is expected to be at a record level and the building up of wholesale and retail stocks which occurred last fall and winter probably will not be repeated. Prices next spring and summer will depend to a considerable extent on prospects for 1952 crops, as well as on international developments. Both domestic and foreign demand is expected to continue strong.

Cotton

DESPITE AN increase in the United States supply of cotton this season, domestic consumption and a substantial increase in exports are likely to result in a small carry-over at the end of the season. It probably will be little, if any, larger than the 2.2 million bales of August 1 this year, and will be one of the smallest in the last two decades.

Exports will be encouraged by an effort on the part of some of the net importing countries to replenish the extremely low stocks existing at the beginning of the crop year, and by a continuation of world consumption slightly below the record level of last year. High industrial activity, in-

creases in consumer purchasing power and increases in military requirements are expected to sustain domestic mill consumption of cotton. However, large inventories and slow sales of cotton textiles at the beginning of the present season retarded consumption during the early months of the season.

The 1951-52 supply in the United States will probably be about 18.1 million running bales (based on the November Crop Report). This will be about 8 percent larger than that of 1950-51, but 18 percent smaller than the 1936-45 average. The world supply of commercial cotton may not be large enough to permit an appreciable increase in world carry-over stocks at the end of the present marketing season.

The September 15 average price received by farmers, 33.73 cents per pound, was slightly below the parity price for the first time since June 1950. By September 5, the average 10 spot market price for Middling 15/16 inch cotton was 34.10 cents per pound the lowest since June 1950. Then the price began to move slowly upward. The price received by farmers on October 15 was 36.21 cents. Price strengthening factors were increasing export demand, reductions in indicated production and the tendency of farmers to withhold cotton from the market at prevailing prices.

Tobacco

MOST TOBACCO growers can expect a generally strong demand for their crop in 1952. The output and consumption of tobacco products will be at or above their 1951 levels. In addition to the strong domestic demand for tobacco, the foreign demand is expected to be quite active. For types produced under marketing quotas, price support at 90 percent is mandatory. The 1952 price supports seem likely to be approximately the same as in 1951.

Cigarettes absorb three-fifths of the annual disappearance of United States tobacco. This year's output of cigarettes, estimated at 412 billion, is 20 billion above last year. The 1952 cigarette output probably will exceed this year's record level, although prices to domestic users have been raised about

5 percent as a result of the increase in the Federal excise tax.

Flue-cured, burley, and Maryland tobacco are used in cigarette manufacture. The 1951 production of flue-cured is the largest in history and the burley and Maryland crops are larger than in 1950. These crops added to the carry-overs, provide total 1951-52 supplies that moderately exceed those for 1950-51. The predominant export tobacco is flue-cured and for the year ending next June 30, it is probable that shipments will be as much as 10 percent above the 1950-51 level. Burley and Maryland tobacco exports probably will continue near the levels of the last year or two.

Wool

WORLD SUPPLY of wool for the 1951-52 season is expected to be about the same as for 1950-51. Production probably will be slightly larger. The carry-over from last season in the major exporting countries, particularly in Argentina and New Zealand, was somewhat larger than a year earlier. These increases probably will just about offset the lower stocks in the consuming countries and the disposal last season of the remaining holdings of the Joint Organization (United Kingdom-Dominion Wool Disposals Limited).

Domestic production of wool next year is likely to be a little larger than this year. The lower rate of slaughter relative to sheep numbers this year indicates that growers are continuing to build up breeding herds and that somewhat more shorn wool will be produced next year. A slight increase in pulled wool production is also likely.

During the period 1946-50, more wool was used in the world than was produced. World consumption during those years—practically all of which was for civilian uses—exceeded production by 15 to 20 percent. The record consumption in 1950 was about 21 percent in excess of production during the 1949-50 season. The excess of consumption over production during these years was made possible by the large wartime accumulation of wool, which has now been liquidated.

(Continued on page 14)

Farm Manpower Outlook

THE NUMBER of workers on farms probably will continue downward in 1952. However, more efficient use is likely to be made of those remaining, and a further rise in average productivity per man-hour is probable. Thus, there is basis for confidence that the large farm production needed in 1952 can be achieved with the working force in prospect.

Many farm workers are likely to find more attractive job opportunities in nonfarm work in the coming year, as defense industries continue to expand. Demands of the armed forces will also be a factor.

The number of workers used in agriculture, of course, will depend partly upon the size of next year's production, the weather, the number of machines on farms, farm wage rates, and hours worked per week.

Seasonal Recruitment Needed

Farm manpower in 1952 will have to be drawn from smaller labor reserves available in the farm and nonfarm population. A further decline in farm population next year is probable. Therefore, the decline in the farm working force will call for more help from members of farm-operator families. It will also call for vigorous recruitment of labor, particularly in meeting seasonal hired labor needs.

Prospective farm prices and a smaller labor supply will likely result in a further rise of around 5 percent in farm wage rates in 1952 for the United States as a whole. The extent of the rise in farm wage rates in particular areas may be affected by developments in the wage stabilization program for agriculture. A more detailed statement on the farm manpower situation and outlook is available on request.

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Bureau of Agricultural Economics

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	5-year average		Dec. 15, 1950	Nov. 15, 1951	Dec. 15, 1951	Effective parity price Dec. 15, 1951 ²
	Base period price 1910-14 ¹	January 1935- Decem- ber 1939				
Basic commodities:						
Cotton (pound)-----	³ 12.4	10.34	40.36	41.00	40.34	34.10
Wheat (bushel)-----	³ .884	.837	2.03	2.19	2.22	2.43
Rice (cwt.)-----	1.97	1.65	5.32	4.88	4.93	5.59
Corn (bushel)-----	³ .642	.691	1.45	1.62	1.69	1.77
Peanuts (pound)-----	³ 4.8	3.55	10.9	10.1	10.4	13.2
Designated nonbasic commodities:						
Potatoes (bushel)-----	⁴ 1.12	.717	.889	1.74	1.93	⁵ 1.83
Butterfat in cream (pound)-----	27.2	29.1	64.8	71.7	75.7	77.2
Milk, wholesale (100 lb.) ⁶ -----	1.70	1.81	4.54	5.15	⁷ 5.22	4.83
Wool (pound)-----	20.1	23.8	82.8	65.7	62.7	57.1
Other nonbasic commodities:						
Barley (bushel)-----	³ .619	.533	1.19	1.34	1.38	⁵ 1.53
Cottonseed (ton)-----	26.10	27.52	102.00	72.70	71.50	74.10
Flaxseed (bushel)-----	1.67	1.69	3.59	4.10	4.24	4.74
Oats (bushel)-----	³ .399	.340	.849	.911	.949	⁵ .990
Rye (bushel)-----	³ .720	.554	1.37	1.62	1.73	⁵ 1.78
Sorghum, grain (100 lb.)-----	³ 1.21	1.17	1.88	2.39	2.51	⁵ 3.00
Soybeans (bushel)-----	1.00	.954	2.70	2.77	2.83	2.84
Sweetpotatoes (bushel)-----	.908	.807	1.73	2.80	3.05	2.58
Beef cattle (100 lb.)-----	7.02	6.56	25.20	28.10	27.50	19.90
Chickens (pound)-----	11.1	14.9	22.3	23.2	23.4	31.5
Eggs (dozen)-----	³ 21.5	21.7	57.7	56.5	51.1	⁵ 53.2
Hogs (100 lb.)-----	7.57	8.38	17.80	18.00	17.60	21.50
Lambs (100 lb.)-----	7.71	7.79	27.60	29.00	28.50	21.90
Veal calves (100 lb.)-----	7.84	7.80	28.40	31.60	31.30	22.30
Oranges, on tree (box)-----	⁴ 2.29	1.11	1.71	1.01	1.27	3.73
Apples (bushel)-----	1.02	.90	2.12	2.06	2.16	2.90
Hay, baled (ton)-----	³ 11.87	11.20	21.80	23.10	24.40	⁵ 29.30

¹ Adjusted base period prices 1910-14, based on 120-month average January 1941-December 1950 unless otherwise noted.

² Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

³ 60-month average, August 1909-July 1914.

⁴ 10-season average 1919-28.

⁵ Transitional parity, 90 percent of parity price computed under formula in use prior to Jan. 1, 1950.

⁶ Prices received by farmers are estimates for the month.

⁷ Preliminary.

Outlook Highlights

(Continued from page 9)

year earlier. Only 2.9 percent of the civilian labor force is now without jobs. A year ago 3.5 percent were unemployed. Farm employment continues to decline.

Higher Incomes and Retail Sales

Personal incomes in the Nation rose 4 billion dollars from September to October to an annual rate of 257.5 billion dollars. Retail sales were up about 6 percent in November compared with a year earlier.

Last Year's Farm Receipts

Farmers' cash receipts from markets totaled 29.8 billion dollars for the first 11 months of 1951. This topped the same period a year earlier by 15 percent. Total cash receipts for the year are expected to be close to 32.8 billion dollars. For the 11-month period, receipts from livestock were up 23 percent for a year earlier; crops 3 percent.

Beef Supplies Catching Up

Total meat production this spring is expected to be considerably above the small production of last spring. Pork output will be up less from a year ear-

(Continued on page 16)

Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) ¹	Total income of industrial workers (1935-39=100) ²	Average earnings of factory workers per worker (1910-14=100)	Whole-sale prices of all commodities (1910-14=100) ³	Index numbers of prices paid by farmers (1910-14=100)			Index numbers of prices received by farmers (1910-14=100)			
					Com-modities	Wage rates for hired farm labor ⁴	Com-modities, interest, taxes, and wage rates	Livestock and products			
								Dairy products	Poul-try and eggs	Meat ani-mals	All live-stock
1910-14 average.....	58	50	100	100	100	100	100	100	100	100	100
1915-19 average.....	72	90	152	158	149	147	148	147	153	162	157
1920-24 average.....	75	122	221	160	159	181	168	159	163	121	140
1925-29 average.....	98	129	232	143	151	184	161	161	155	145	152
1930-34 average.....	74	78	179	107	117	121	124	105	94	83	91
1935-39 average.....	100	100	199	118	124	121	125	119	108	117	115
1940-44 average.....	192	237	315	139	148	211	152	169	145	166	162
1945 average.....	203	292	389	154	179	359	189	230	194	207	210
1946 average.....	170	277	382	177	197	387	207	267	197	248	241
1947 average.....	187	330	436	222	230	419	239	272	219	329	287
1948 average.....	192	356	472	241	250	442	259	300	235	361	314
1949 average.....	176	328	478	226	240	430	250	251	219	311	272
1950 average.....	200	369	516	236	246	425	255	247	181	340	278
1950											
December.....	218	416	556	256	257	-----	265	272	249	360	311
1951											
January.....	221	416	556	263	262	450	272	286	203	391	323
February.....	221	419	556	268	267	-----	276	285	205	425	340
March.....	222	427	563	269	272	-----	280	280	217	428	343
April.....	223	427	565	268	273	479	283	273	215	428	340
May.....	222	424	⁵ 562	267	272	-----	283	270	221	418	335
June.....	221	429	⁵ 567	265	272	-----	282	269	217	422	335
July.....	212	420	⁵ 560	262	271	475	282	272	222	414	332
August.....	217	⁵ 426	⁵ 561	260	271	-----	282	277	231	416	336
September.....	219	430	⁵ 570	259	271	-----	282	283	247	411	337
October.....	218	425	568	260	272	476	283	294	247	410	340
November.....	218	-----	-----	260	274	-----	284	305	249	387	332
December.....	-----	-----	-----	273	-----	-----	284	314	233	379	328

Year and month	Index numbers of prices received by farmers (1910-14=100)								All crops and live-stock	Parity ratio ⁶
	Crops									
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Truck crops	All crops		
1910-14 average.....	100	100	100	100	100	100	-----	100	100	100
1915-19 average.....	193	161	183	175	201	126	-----	171	164	111
1920-24 average.....	147	125	189	197	155	157	⁷ 152	162	150	89
1925-29 average.....	141	118	169	150	135	146	-----	145	143	92
1930-34 average.....	70	76	117	77	78	98	-----	104	84	88
1935-39 average.....	94	95	172	87	113	95	-----	95	99	107
1940-44 average.....	123	119	241	138	170	150	-----	164	145	154
1945 average.....	172	161	360	178	228	244	-----	207	203	206
1946 average.....	201	196	376	237	260	250	-----	182	227	234
1947 average.....	270	249	374	272	363	212	-----	226	263	275
1948 average.....	250	250	380	270	351	174	-----	214	252	285
1949 average.....	219	170	398	245	242	199	-----	201	223	249
1950 average.....	224	187	402	280	276	200	-----	185	232	256
<i>1950</i>										
December.....	233	202	436	339	366	202	-----	211	258	108
<i>1951</i>										
January.....	240	214	442	347	374	192	-----	324	275	300
February.....	254	222	440	351	379	204	-----	333	283	313
March.....	245	221	437	359	386	202	-----	265	276	311
April.....	247	222	438	363	385	209	-----	225	275	309
May.....	244	223	438	357	380	194	-----	239	271	305
June.....	240	217	438	353	358	200	-----	189	263	301
July.....	236	213	438	329	317	175	-----	204	252	294
August.....	234	215	430	291	294	207	-----	181	244	292
September.....	233	216	423	283	288	201	-----	161	239	291
October.....	239	219	445	304	296	188	-----	171	247	296
November.....	249	224	424	345	307	172	-----	249	267	301
December.....	253	233	440	339	309	177	-----	331	280	305

¹ Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

² Computed from data furnished by Bureau of Labor Statistics and Interstate Commerce Commission on pay-rolls in mining, manufacturing, and transportation; monthly data adjusted for seasonal variation. Revised January 1950.

³ Bureau of Labor Statistics.

⁴ Farm wage rates simple averages of quarterly data, seasonally adjusted.

⁵ Revised.

⁶ Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis.

⁷ 1924 only.

Wool

(Continued from page 14)

months. However, they are not likely to reach the record levels of last spring. Since wool is a strategic commodity, changes in the international situation and in government programs and policies, including the volume and scheduling of military orders, price ceilings, etc., could be important factors in the price outlook.

Over 60 percent of the apparel wool consumed by mills in the United States during the last 10 years was of foreign origin. And this dependence on foreign sources is not likely to lessen next year.

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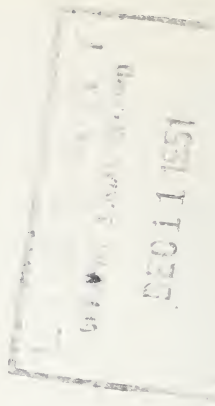
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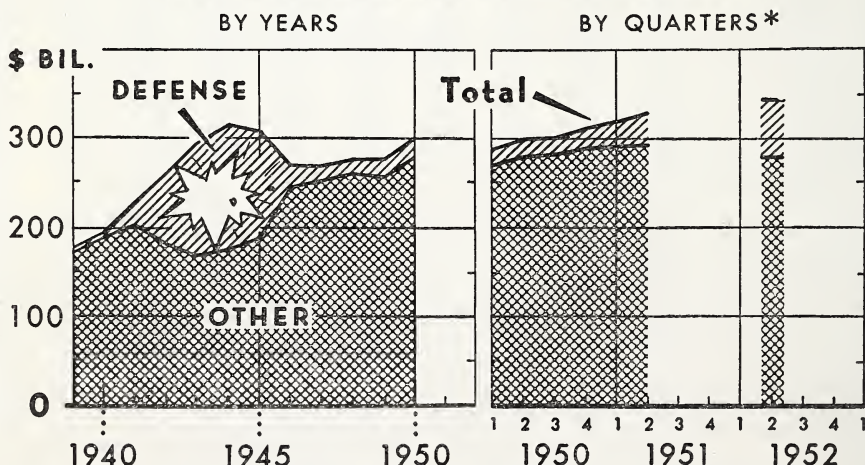
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